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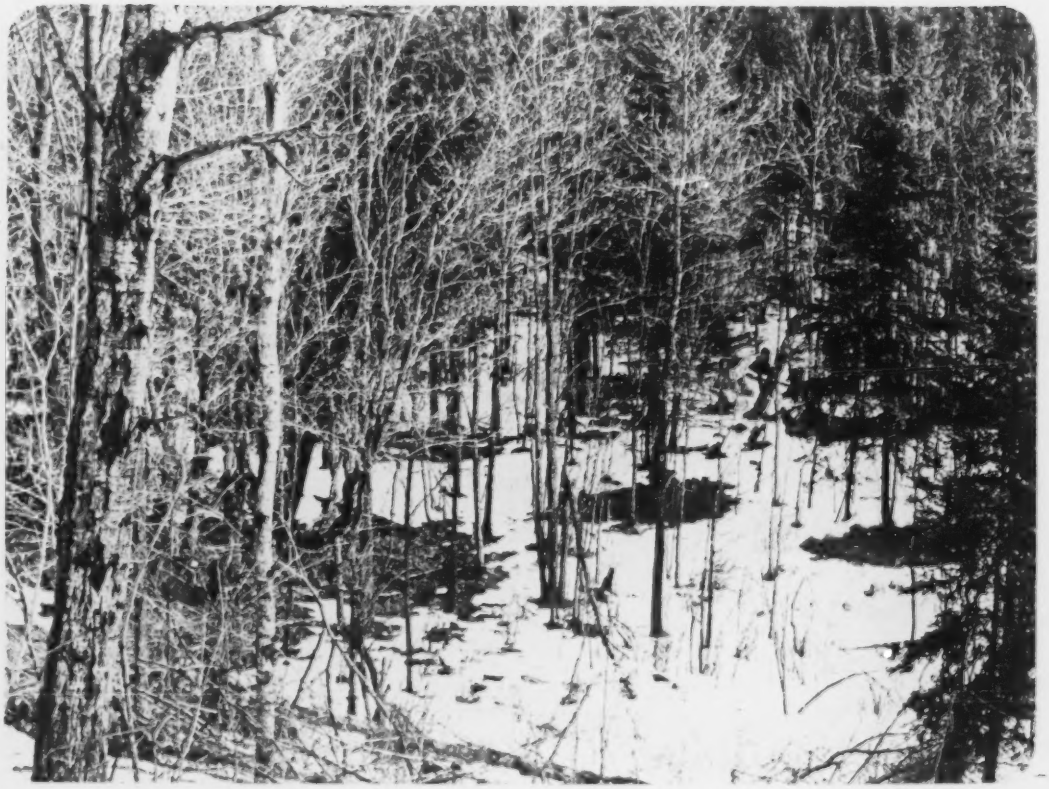
WISCONSIN ECONOMIC INDICATORS

NOVEMBER 1987



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DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wis. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

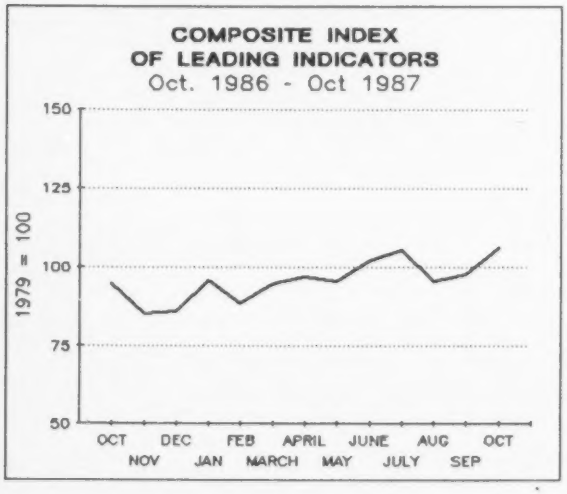
COVER PHOTO: Courtesy of Wisconsin Department of Natural Resources

WISCONSIN ECONOMIC INDICATORS

SUMMARY FOR OCTOBER

COMPOSITE INDEX

Wisconsin's Composite Index of leading economic indicators rose to 105.7 points in October. The base year, 1979, equals 100, and one month ago the index stood at 97.3 points. October's large increase results from a gain in the length of the workweek in manufacturing industries, from a smaller-than-normal growth of unemployment compensation claims, and from gains in job openings received by state Job Service offices throughout Wisconsin.



LEADING INDICATORS

Production workers in Wisconsin's manufacturing industries averaged more hours of work in October than in the month before. The average workweek in manufacturing lengthened to 41.9 hours, the highest average this year. The increased hours figure, however, comes at the expense of fewer manufacturing workers. But, even the nearly nine thousand drop in manufacturing employment is less than the normal seasonal decrease for October. The workweek average would have fallen to 41.0 if it followed the usual seasonal pattern.

Overtime hours remained at 4.4 per week in October. The average usually decreases about half an hour this month. October's longer-than-usual workweek coupled with the less-than-usual employment decrease translates to a growth in the labor input in manufacturing.

The average number of weekly initial claims for unemployment compensation increased by over nine hundred. While that is a twenty percent increase, it is less than normal for October. An increase of nearly fifteen hundred would have been normal. Ironically, the slow claims growth occurred when unemployment grew at well above the normal pace. However, the increase of fifteen thousand unemployed resulted from labor force growth of nearly twenty thousand rather than from more layoffs.

The number of job openings received by Job Service offices throughout the state increased, but only slightly. The job openings usually reach peak level in August and September, then taper off, so this October's level is above par.

New business incorporations decreased in October by about forty, and that's subpar. To be seasonally on track, the new incorporations should have increased about forty.

The net gain in business telephone access lines decreased this month, but the three-hundred-fifty decline is less than a normal October amount. The access line figure is composed of total installations minus disconnections, thus, indicates formation of business sites.

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	Yr/Ago	AVG. 1986
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	INDEX	105.7p	Oct	97.3	94.5	8.6	11.9	93.0
L2 AVG. WORK WEEK, MFG.								
Unadjusted	HOURS	41.9	Oct	41.3	41.3	1.5	1.5	41.4
Seasonally Adjusted		42.1		41.2	41.5	2.2	1.4	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	HOURS	4.4	Oct	4.4	3.6	0.0	22.2	3.6
Seasonally Adjusted		4.4		3.9	3.6	12.8	22.2	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	NUMBER	5260	Oct	4352	8069	20.9	- 34.8	8802
Seasonally Adjusted		5730		6363	8792	- 9.9	- 34.8	
L5 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	10,128	Oct	9993	10,905	1.4	- 7.1	7743
Seasonally Adjusted		9,546		8020	10,277	19.0	- 7.1	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	NUMBER	489	Oct	532	537	- 8.1	- 8.9	539
Seasonally Adjusted		484		568	532	-14.8	- 9.0	
L7 NET GAIN IN BUSINESS PHONES ACCESS LINES								
Unadjusted	NUMBER	2377	Oct	3734	355	-36.3	569.6	1276
Seasonally Adjusted		1747		1509	1562	15.8	11.8	
L8 BUILDING PLANS EXAMINED								
Unadjusted	NUMBER	793p	Oct	601	810	31.9	- 2.1	560
Seasonally Adjusted		548p		548	560	0.0	- 2.1	
ROUGHLY COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	INDEX	85	Oct	81	63	4.9	34.9	60
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	PERCENT	5.0	Oct	4.4	6.0	-	-	7.0
Seasonally Adjusted		5.8		5.4	6.9	-	-	
C3 NATURAL GAS SALES								
Unadjusted	MIL. THERMS	68.4	Sep	58.6	93.6	16.7	- 26.9	214.6
Seasonally Adjusted		134.4		128.8	183.8	4.3	- 26.9	
C4 NEW CAR REGISTRATIONS								
Unadjusted	NUMBER	17,858	Oct	16,505	26,084	8.2	- 31.5	16,947
Seasonally Adjusted		13,903		14,392	20,304	- 3.4	- 31.5	
C5 ELECTRIC POWER SALES								
Unadjusted	MIL. KWH	2061.9	Sep	2216.6	1986.1	- 7.0	3.8	1946.0
Seasonally Adjusted		2072.3		2050.5	1996.0	1.1	3.8	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	147.4	Oct	98.1	154.8	50.3	- 4.8	171.0
Seasonally Adjusted		178.9		78.7	187.9	127.3	- 4.8	

P = Preliminary estimate

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.
		Latest Month	Mo/Ago	Yr/Ago	Mo/Ago	Yr/Ago	1986
C7 MANUFACTURING EMPL.							
Unadjusted	THOUS.	527.8 Oct	536.7	513.2	- 1.7	2.8	513.0
Seasonally Adjusted		524.7	523.6	510.3	0.2	2.8	
C8 AVG. WEEKLY EARNINGS, MFG.							
Unadjusted	DOLLARS	446.65 Oct	436.13	424.98	2.4	5.1	427.38
Seasonally Adjusted		452.07	440.54	430.18	2.6	5.1	
C9 CASH RECEIPTS FROM FARM MKTG.							
Unadjusted	MIL. DOL.	439.4 Aug	424.3	423.8	3.6	3.7	416.8
Seasonally Adjusted		435.0	423.9	419.4	2.6	3.7	
C10 CONTRACT CONSTRUCTION EMPL.							
Unadjusted	THOUS.	70.7 Oct	70.8	70.3	- 0.1	0.6	64.0
Seasonally Adjusted		63.1	62.9	62.8	0.3	0.5	
OTHER KEY INDICATORS							
X1 BIRTH REGISTRATIONS							
Unadjusted	NUMBER	5855 Sep	6223	6234	- 5.9	- 6.1	6,033
Seasonally Adjusted		5701	5794	6070	- 1.6	- 6.1	
X2 DEATH REGISTRATIONS							
Unadjusted	NUMBER	3649 Oct	3337	3351	9.3	8.9	3,514
Seasonally Adjusted		3789	3402	3478	11.4	8.9	
X3 NATURAL NET GAIN POPULATION							
Unadjusted	NUMBER	2206 Oct	2886	2883	-23.6	-23.5	2,519
Seasonally Adjusted		1944	2368	2540	-17.9	-23.5	
X4 MARRIAGE REGISTRATIONS							
Unadjusted	NUMBER	4258 Oct	4501	4460	- 5.4	- 4.5	3,207
Seasonally Adjusted		3022	3019	3165	0.1	- 4.5	
X5 CONSUMER PRICE INDEX (MILW.)			(Nov'86)	(Jul'86)			
Unadjusted	INDEX	340.0 Jun	330.7	331.3	2.8	2.6	331.7
X6 PRICES RECEIVED BY FARMERS							
Unadjusted	INDEX	134 Oct	136	136	- 1.5	- 1.5	131
Seasonally Adjusted		134	136	136	- 1.5	- 1.5	
X7 NET GAIN IN RESIDENTIAL PHONES ACCESS LINES							
Unadjusted	NUMBER	3066 Oct	7804	2389	-60.7	28.3	1,363
Seasonally Adjusted		1936	2001	1474	- 3.2	31.3	
X8 LABOR DISPUTES, NO. OF WORKERS							
Unadjusted	NUMBER	11 Oct	359	470	-96.9	-97.7	769
Seasonally Adjusted		7	189	287	-96.3	-97.6	
X9 UNEMPL. COMPENSATION EXHAUSTEES	NUMBER						
Unadjusted		15,019 Oct	15,913	23,738	- 5.6	-36.7	26,223
Seasonally Adjusted		15,944	16,106	25,205	- 1.0	-36.7	

Section

B

LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES OCTOBER	(In Thousands)			Pct. Chg.	
	Latest * Month	Month Ago	Year Ago	Month Ago	Year Ago
Unadjusted					
CIVILIAN LABOR FORCE	2512.1	2492.4	2426.5	0.8	3.5
Employment (Inc. Labor Disputes)	2387.7	2383.0	2281.8	0.2	4.6
Unemployment	124.4	109.4	144.7	13.7	-14.0
Unemployment Rate	5.0	4.4	6.0	-	-
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2484.2	2459.0	2404.1	1.0	3.3
Employment (Inc. Labor Disputes)	2340.9	2327.1	2237.4	0.6	4.6
Unemployment	143.3	131.8	166.7	8.7	-14.0
Unemployment Rate	5.8	5.4	6.9	-	-

WISCONSIN EMPLOYMENT ESTIMATES OCTOBER	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	2095.4	2095.0	2047.1	0.0	2.4
Unadjusted					
Manufacturing	527.8	536.3	512.9	- 1.6	2.9
Mining	2.4	2.5	2.3	- 4.0	4.3
Contract Construction	70.7	70.8	70.3	- 0.1	0.6
Transportation and Public Utilities	95.3	94.8	94.8	0.5	0.5
Elec., Gas and Sanitary Services	17.5	17.6	17.4	- 0.6	0.6
Wholesale Trade	105.6	104.9	101.7	0.7	3.8
Retail Trade	400.8	401.5	385.5	- 0.2	4.0
General Merchandise	51.0	50.0	49.4	2.0	3.2
Finance, Insurance and Real Estate	111.9	112.1	109.1	- 0.2	2.6
Banking	28.2	28.4	27.8	- 0.7	1.4
Insurance	37.1	36.9	35.8	0.5	3.6
Service and Miscellaneous	455.3	455.6	439.2	- 0.1	3.7
Hospitals	69.7	69.5	67.2	0.3	3.7
Private Education	25.0	23.5	25.3	6.4	- 1.2
Government	325.5	316.5	331.4	2.8	- 1.8
State Government	81.5	79.6	86.5	2.4	- 5.8
Local Government	215.6	208.4	216.5	3.5	- 0.4

UNITED STATES LABOR FORCE ESTIMATES OCTOBER	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	120,361	119,861	118,414	0.4	1.6
Employment	113,187	112,772	110,192	0.4	2.7
Unemployment	7,174	7,089	8,222	1.2	-12.7
Unemployment Rate	6.0	5.9	6.9	-	-

* Latest month data are preliminary

MANUFACTURING EMPLOYMENT *(Unadjusted)* OCTOBER	(In Thousands) Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	527.8	536.3	512.9
All Manufacturing (Excluding Canning)	518.1	517.8	500.3
Durable Goods	322.3	321.5	308.4
Lumber and Wood Prod., (Except Furniture)	25.9	26.2	23.6
Sawmills and Planning Mills	3.1	3.2	3.0
Millwork, Veneer, Plywood & Prefab. Wood Prod.	13.2	13.5	11.8
Furniture and Fixtures	11.1	10.8	10.7
Household Furniture	4.7	4.5	4.4
Stone, Clay and Glass Products	9.3	9.4	8.5
Concrete, Gypsum and Plaster Products	4.9	5.0	4.2
Primary Metal Industries	19.6	19.6	18.4
Iron and Steel Foundries	10.2	10.1	9.5
Fabricated Metal Products	51.8	52.2	51.4
Heating Equipment (Except Electrical) & Plumbing Fixtures	7.1	7.2	6.7
Fabricated Structural Metal Products	12.4	12.3	12.1
Metal Stampings	10.7	10.7	10.8
Machinery (Except Electrical)	102.0	100.9	97.8
Engines and Turbines	20.4	19.9	19.3
Farm Machinery and Equipment	12.8	12.5	11.6
Const., Min. & Material Handling Mach. & Equip.	11.6	11.5	10.8
Metalworking Machinery and Equipment	10.6	10.6	10.8
Special Industry Machinery (Except Metalworking)	12.3	12.1	11.7
General Industrial Machinery and Equipment	14.2	14.1	13.7
Service Industry Machines	6.7	6.8	7.0
Electrical Machinery, Equipment and Supplies	47.8	47.6	49.0
Electrical Industrial Apparatus	15.0	14.9	16.0
Household Appliances	6.4	6.4	6.6
Transportation Equipment	33.8	33.9	28.4
Motor Vehicles and Equipment	27.7	27.5	20.7
Instruments and Related Products	10.8	10.8	11.4
Miscellaneous Manufacturing	10.1	10.1	9.2
Nondurable Goods	205.5	214.9	204.5
Food and Kindred Products	60.6	69.6	62.7
Meat Products	13.8	13.7	14.3
Dairy Products	17.9	18.1	17.1
Canning and Preserving	9.7	18.5	12.6
Bakery Products	5.2	5.1	4.8
Beverage Industries	7.1	7.3	7.2
Textile Mill Products	4.2	4.1	4.1
Knitting Mills	3.7	3.5	3.5
Apparel and Other Finished Products	6.7	6.8	6.6
Paper and Allied Products	49.2	49.6	49.4
Pulp and Paper Mills	30.6	30.7	30.9
Converted Paper and Paperboard Products	10.3	10.4	10.2
Paperboard Containers and Boxes	7.2	7.3	7.0
Printing, Publishing and Allied Industries	41.2	41.1	40.1
Newspapers	12.5	12.4	12.4
Commercial Printing	17.7	17.7	17.2
Chemicals and Allied Products	11.5	11.6	10.8
Rubber and Misc. Plastics Products	24.9	24.8	23.7
Miscellaneous Plastics Products	20.6	20.5	19.4
Leather and Leather Products	7.0	6.9	6.8
Leather Tanning and Finishing	1.7	1.7	1.6
Footwear (Except Rubber)	3.4	3.4	3.3
Other Nondurable Goods	-	-	-

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* OCTOBER	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$447	$436	$425	41.9	41.3	41.3
All Manufacturing (Excl. Canning)	451	444	429	42.0	41.3	41.4
Durable Goods	455	440	431	42.2	41.0	41.4
Lumber/Wood Prod. (Exc. Furn.)	315	314	318	40.1	39.5	40.4
Furniture and Fixtures	352	343	345	43.3	42.1	43.4
Stone, Clay and Glass Products	452	433	431	46.5	44.4	43.8
Primary Metal Industries	454	444	428	44.7	43.7	42.9
Iron and Steel Foundries	457	447	415	45.2	44.3	42.7
Fabricated Metal Products	438	423	414	41.8	40.9	40.6
Fab. Structural Metal Prod.	449	431	431	44.6	43.3	42.0
Metal Stampings	458	445	453	40.7	39.7	41.3
Machinery (Except Electrical)	505	485	482	43.1	41.8	41.7
Engines and Turbines	557	522	538	42.7	40.6	42.1
Farm Machinery and Equip.	539	520	537	43.3	42.2	41.4
Const. and Related Mach.	499	481	455	44.4	43.2	41.9
Metalworking Mach. and Equip.	541	530	517	44.1	43.0	42.7
Spec. Ind. Mach. (Exc. Metal).	504	487	475	43.3	41.7	41.0
Gen. Industrial Mach. and Equip.	477	464	491	41.8	40.7	41.4
Electrical Mach., Equip. and Supp.	416	407	412	40.5	39.7	41.2
Electrical Industrial Apparatus	448	447	428	41.2	40.9	40.7
Transportation Equipment	597	573	546	41.5	39.4	41.4
Instruments and Related Prod.	374	373	336	41.5	41.3	38.5
Nondurable Goods	435	430	414	41.5	41.7	41.1
Food and Kindred Products	384	370	365	40.7	41.2	39.4
Meat Products	378	378	354	42.8	41.6	40.3
Dairy Products	395	423	394	39.9	42.0	40.4
Textile Mill Products	289	284	330	41.5	40.5	44.1
Apparel and Other Fin. Prod.	252	249	258	38.7	37.5	40.3
Paper and Allied Products	612	623	574	45.9	46.9	46.3
Pulp and Paper Mills	656	686	623	46.1	48.3	47.4
Printing, Pub. and Allied Prod.	447	455	421	39.2	39.1	38.4
Chemicals and Allied Products	394	403	457	36.5	37.2	40.4
Rubber and Misc. Plastics Prod.	338	336	325	40.8	40.5	39.8
Leather and Leather Products.	262	256	251	39.5	38.9	37.7

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* OCTOBER	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$10.66	$10.56	$10.29	$10.10	$10.02	$ 9.90
All Manufacturing (Excl. Canning)	10.74	10.75	10.37	10.18	10.18	9.99
Durable Goods	10.78	10.73	10.42	10.30	10.29	10.11
Lumber/Wood Prod. (Exc. Furn.)	7.86	7.96	7.87	7.77	7.89	–
Furniture and Fixtures	8.13	8.15	7.94	7.92	7.96	7.72
Stone, Clay and Glass Products	9.73	9.75	9.84	9.24	9.40	9.83
Primary Metal Industries	10.15	10.15	9.97	9.58	9.58	9.55
Iron and Steel Foundries	10.11	10.10	9.71	9.53	9.52	9.34
Fabricated Metal Products	10.47	10.35	10.20	9.96	9.89	9.81
Fab. Structural Metal Prod.	10.06	9.95	10.25	9.44	9.42	9.81
Metal Stampings	11.25	11.21	10.98	10.86	10.84	10.51
Machinery (Except Electrical)	11.71	11.60	11.56	11.11	11.13	11.15
Engines and Turbines	13.04	12.86	12.79	12.28	12.38	12.22
Farm Machinery and Equip.	12.45	12.33	12.96	11.90	11.84	12.46
Const. and Related Mach.	11.23	11.14	10.85	10.68	10.64	10.56
Metalworking Mach. and Equip.	12.26	12.33	12.11	11.60	11.68	11.66
Spec. Ind. Mach. (Exc. Metal).	11.63	11.68	11.59	11.06	11.19	11.13
Gen. Industrial Mach. and Equip.	11.41	11.41	11.87	10.82	10.91	11.54
Electrical Mach., Equip. and Supp.	10.26	10.24	9.99	9.82	9.83	9.77
Electrical Industrial Apparatus	10.88	10.92	10.51	10.65	10.71	–
Transportation Equipment	14.39	14.55	13.19	13.79	13.78	12.60
Instruments and Related Prod.	9.01	9.04	8.73	8.69	8.76	8.56
Nondurable Goods	10.47	10.31	10.08	9.78	9.60	9.58
Food and Kindred Products	9.44	8.99	9.27	8.99	8.58	8.82
Meat Products	8.82	9.08	8.79	8.45	8.76	8.49
Dairy Products	9.90	10.08	9.75	9.38	9.44	9.30
Textile Mill Products	6.96	7.00	7.49	6.69	6.74	7.13
Apparel and Other Fin. Prod.	6.51	6.64	6.41	6.38	6.40	6.22
Paper and Allied Products	13.34	13.29	12.39	12.25	12.08	11.77
Pulp and Paper Mills	14.22	14.21	13.15	12.97	12.84	12.54
Printing, Pub. and Allied Prod.	11.41	11.63	10.96	–	–	–
Chemicals and Allied Products	10.80	10.82	11.32	10.47	10.55	11.06
Rubber and Misc. Plastics Prod.	8.28	8.30	8.16	7.96	7.97	7.86
Leather and Leather Products.	6.63	6.59	6.66	6.41	6.39	6.49

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers *(Unadjusted)* OCTOBER	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$409	$405	$396	41.1	40.6	40.7	9.94	9.98	9.72	–	–
Wisconsin	447	436	425	41.9	41.3	41.3	10.66	10.56	10.29	10.10	10.02
Selected Areas											
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	461	465	436	42.4	42.7	42.0	10.87	10.88	10.39	10.32	10.29
Beloit (City)	396	398	392	39.9	38.8	37.5	9.93	10.27	10.46	9.78	10.02
Eau Claire (Eau Claire-Chippewa)	445	450	425	41.0	41.9	40.8	10.85	10.75	10.41	10.34	10.10
Fond du Lac (County)	400	376	426	39.3	39.0	42.7	10.19	9.65	9.97	9.90	9.31
Green Bay (Brown County)	502	466	473	42.2	40.8	42.5	11.89	11.43	11.12	10.91	10.43
Janesville (City)	558	477	528	40.4	34.0	42.5	13.82	13.04	12.43	13.50	13.40
Janesville-Beloit (Rock County)	483	435	469	40.3	36.1	41.2	11.99	12.06	11.38	11.65	11.39
Kenosha (County)	530	539	451	41.6	41.6	40.2	12.73	12.96	11.23	12.10	12.20
La Crosse (County)	372	363	355	41.1	39.8	39.3	9.06	9.13	9.04	8.74	8.90
Madison (Dane County)	400	406	397	41.1	41.6	41.0	9.74	9.76	9.69	9.31	9.35
Manitowoc (County)	389	382	370	40.9	40.4	39.9	9.51	9.45	9.27	9.07	9.04
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	492	481	475	41.9	41.0	41.1	11.74	11.73	11.56	11.06	11.12
Racine (County)	461	436	427	41.3	39.6	39.6	11.16	11.01	10.79	10.72	10.67
Sheboygan (County)	402	396	390	42.8	41.9	41.5	9.40	9.45	9.39	8.92	8.99
Wausau (Marathon County)	436	436	414	43.1	43.1	42.7	10.12	10.12	9.69	9.54	9.58

EMPLOYMENT, MFG. *(Unadjusted)* OCTOBER	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,345.0	19,349.0	19,041.0	0.0	1.6
Wisconsin	527.8	536.3	512.9	-1.6	2.9
Selected Areas					
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	50.8	51.2	49.1	-0.8	3.5
Beloit (City)	4.7	4.7	4.5	0.0	4.4
Eau Claire (Eau Claire-Chippewa)	10.0	10.1	10.5	-1.0	- 4.8
Fond du Lac (County)	10.1	10.8	10.5	-6.5	- 3.8
Green Bay (Brown County)	24.6	25.0	24.7	-1.6	- 0.4
Janesville (City)	9.8	9.6	7.7	2.1	27.3
Janesville-Beloit (Rock County)	17.0	16.8	13.9	1.2	22.3
Kenosha (County)	15.3	15.3	11.2	0.0	36.6
La Crosse (County)	10.4	10.4	10.2	0.0	2.0
Madison (Dane County)	22.9	22.7	21.8	0.9	5.0
Manitowoc (County)	11.5	11.5	12.0	0.0	- 4.2
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	168.5	167.6	167.3	0.5	0.7
Racine (County)	24.1	24.0	24.4	0.4	- 1.2
Sheboygan (County)	19.8	19.9	19.0	-0.5	4.2
Wausau (Marathon County)	13.4	13.4	12.1	0.0	10.7

WISCONSIN ECONOMIC FORECAST

by David H. Peterson and Gene Schubert

The recent plunge in stock values will slow the growth of the national economy, but is not expected to trigger a recession. While the 508 point drop in the Dow Jones Industrial Average recorded on October 19 was alarming, declines in the stock market have not been a reliable harbinger of past business downturns.

However, the drop in stock values will trim consumer purchases, especially outlays for big-ticket items, by reducing personal wealth and by making Americans more reluctant to add to their debt load. This is expected to translate into a 1.8 percent decline in spending for durable goods in 1988 and into only modest expansion for non-durable goods and service purchases.

Consumer spending patterns will help set the stage for capital spending decisions by business. The sharper the retrenchment in consumption, the less willing business will be to invest in a new plant and equipment.

A relatively bright spot in this forecast is the expansion of exports for American producers, as well as a weakening of import competition in the domestic market. This is especially welcome news here in Wisconsin because of our relatively large concentration of durable goods manufacturers. However, most new jobs will continue to be concentrated in the service and trade industries.

U.S. Forecast

Consumer-led growth appears to be over. After surging 4.8 percent in the third quarter, real consumer spending is likely to decline in the fourth quarter, and increase only 1.3 percent in 1988. The prospects for the following two years are somewhat better, but well below past trends. Real consumer spending is projected to increase by 1.6 percent in 1989 and by 2.2 percent in 1990.

Due to the loss of wealth following the stock market crash, consumer durables will be the hardest hit, with real consumer durable spending expected to decline by 1.8 percent and 0.5 percent for 1988 and 1989. Nondurables and services consumption are expected to slow noticeably during the next two years, but maintain positive growth trends.

Before October 19, the outlook for consumer spending was sluggish, but business-fixed investment looked strong. Now, however, capital spending is expected to post gains of just 1.5 percent in 1988 and 1.8 percent in 1989. As consumer spending revives and real net exports continue to improve, demand is expected to accelerate and boost fixed investment growth to 4.6 percent in 1990.

The consumer's reaction is key to the outlook. The smaller the retrenchment in consumption, the greater the proportion of next year's planned increases in capital investment that actually will be realized. The stock market crash affects capital spending in two ways. First, sharply lower stock prices make it more expensive for corporations to raise equity capital. The higher cost of equity raises the required return on investments in equipment and structures, making it more difficult to justify capital spending. Second, with consumer spending likely to be weak, capacity utilization and return on investment will be lower and the incentive to invest will be reduced.

The dollar's rapid decline will make U.S. exports cheaper and imports more expensive, thereby helping to reduce

the trade deficit from $155 billion this year to a projected $135 billion in 1988 and to $124 billion in 1989. The decline in import volume is expected to continue in 1988 as consumers cut back on discretionary purchases and begin to rebuild their savings. Real imports of nonauto consumer goods are expected to fall 3.8 percent next year and 1.2 percent in 1989, before turning upward in 1990. Automotive imports will fall through 1990 as Japanese producers shift assembly operations to North America and rely more heavily on U.S. parts. Capital goods imports are expected to retreat during the first half of 1988 in response to investment cutbacks, but their upward trend is expected to resume in the second half of 1988.

Although the U.S. slowdown will spread to the economies of our trading partners, lower interest rates will provide some offsetting stimulus to their domestic demand. With the dollar falling, the outlook for U.S. exports is encouraging. After an estimated 11.6 percent gain this year, real exports of goods and services are projected to rise 9.8 percent in 1988, 8.5 percent in 1989, and 7.3 percent in 1990. Because of their price sensitivity, exports of capital goods and nonauto consumer goods are expected to show the strongest gains in the years ahead.

Wisconsin Outlook

The outlook for the Wisconsin economy is guardedly optimistic. With the U.S. economy projected to slow modestly in 1988 and then resume growth in 1989 and 1990, the Wisconsin economy is expected to grow at rates that are roughly in line with growth in the last few years. A positive factor in the current economic forecast is the recent decline in the value of the dollar, which should enhance the competitive position of exporting and import-competing industries in Wisconsin. Wisconsin nonfarm employment (seasonally adjusted) grew at a 1.0 percent rate in the third quarter of 1987. While this is somewhat lower than the 2.1 percent increase expected for the year, it is not necessarily indicative of a slowdown in growth since quarterly changes vary widely. Nonetheless, the estimate of 1987 average employment has been lowered slightly from 2,061,200 to 2,057,000. In the third quarter, employment increased significantly in the trade, services and durable manufacturing industries, while employment in the highly volatile construction industry fell. Other major employment categories experienced no significant change.

Revised estimates for 1986 income released by the U.S. Department of Commerce in late August showed that Wisconsin personal income was $500 billion (0.8 percent) higher than previously estimated. The most significant increases occurred in interest income and farm proprietors' income, while the estimate for nonfarm proprietors' income was reduced.

Of particular interest was the 25.0 percent revision to farm proprietors' income. Examination of recently released information on the components of farm proprietors' income reveal that despite stagnant gross revenues, farmers have been able to improve their profits by cutting costs. Total production expenses are estimated to have been cut by 8.0 percent in both 1985 and 1986.

With the U.S. economy expected to grow over the forecast period, the outlook for the Wisconsin economy remains favorable. Because there are significant risks to the current U.S. forecast, it must be emphasized that the outlook for the Wisconsin economy would be very different if expectations for the U.S. economy are revised.

The current U.S. forecast anticipates that economic growth will slow in 1988

(Continued on back cover)

WISCONSIN EMPLOYMENT FORECAST
(Thousands of Workers, Annual Average)

	1986	1987	1988	1989	1990
MANUFACTURING	512.5	520.7	527.5	535.1	545.1
DURABLES	310.2	314.9	320.2	325.3	332.0
LUMBER PRODUCTS	23.3	24.9	24.6	25.0	25.2
STONE, CLAY, GLASS	7.9	8.8	9.3	9.5	9.8
PRIMARY METALS	19.0	18.9	19.5	19.6	20.2
FABRICATED METALS	51.5	51.2	52.8	54.6	56.3
NON-ELECT. MACHINERY	98.6	100.3	104.0	105.5	107.8
ELECTRICAL MACHINERY	48.5	47.3	46.6	47.3	49.2
TRANS. EQUIPMENT	30.5	31.8	31.0	30.9	30.4
OTHER DURABLES	30.9	31.7	32.4	32.8	33.2
NONDURABLES	202.2	205.9	207.4	209.8	213.0
FOOD PRODUCTS	62.1	62.4	61.4	60.9	60.2
PAPER PRODUCTS	49.0	49.2	49.2	49.7	50.4
PRINTING & PUBLISHING	39.6	40.7	42.3	44.0	45.8
CHEMICALS	10.6	11.3	11.3	11.4	11.5
RUBBER & PLASTICS	23.3	24.6	25.6	26.5	28.1
OTHER NONDURABLES	17.6	17.6	17.4	17.2	17.1
MINING	2.0	2.1	1.9	1.9	1.9
CONSTRUCTION	63.8	64.3	61.4	66.4	69.9
TRANS., COMM., UTILITIES	92.8	92.9	93.3	94.6	96.5
FINANCE, INSUR., REAL EST.	107.7	111.5	115.1	119.4	124.0
TRADE	477.8	493.3	505.2	516.2	525.1
SERVICES	432.9	446.6	459.2	477.1	497.6
GOVERNMENT	325.1	326.1	327.1	328.3	329.6
TOTAL EMPLOYMENT (Nonfarm)	2014.7	2057.5	2090.6	2139.1	2189.8

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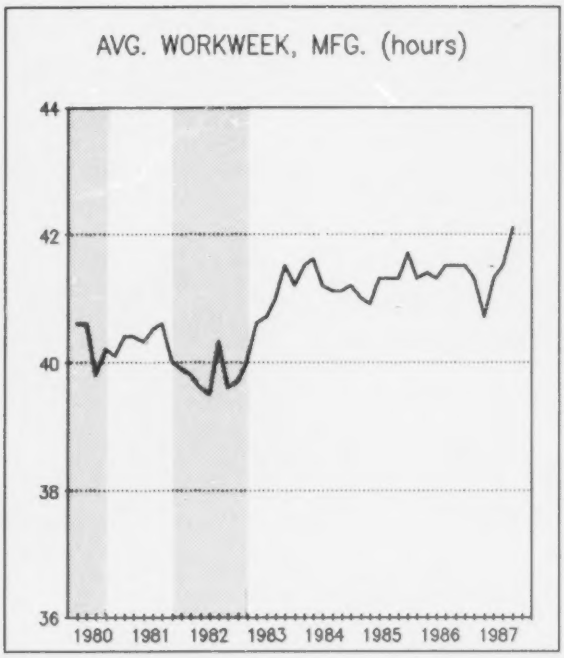
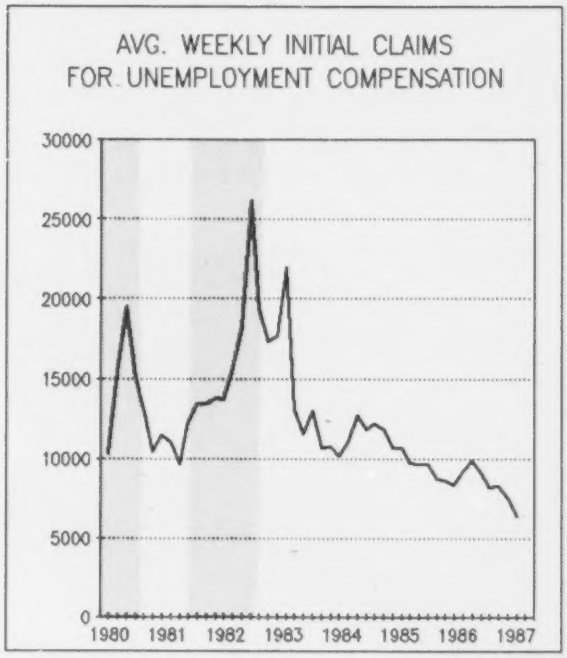
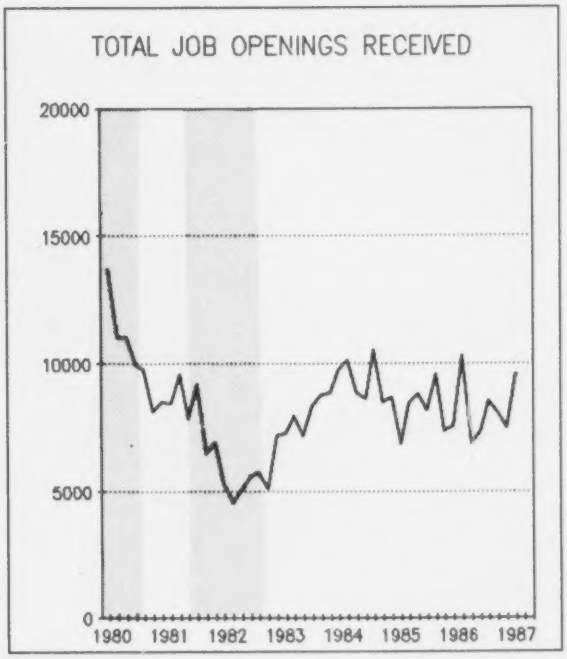
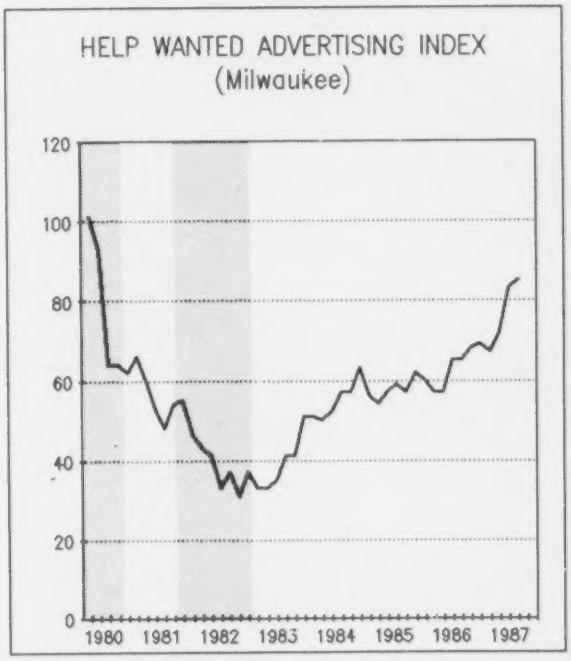
D CYCLICAL INDICATORS









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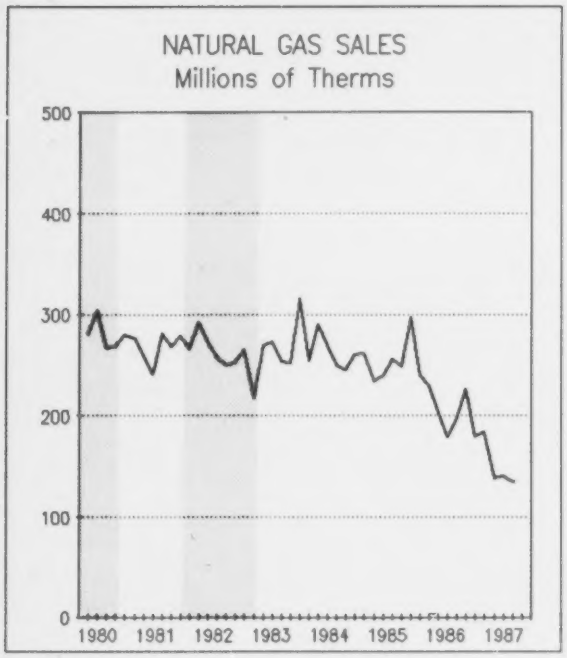

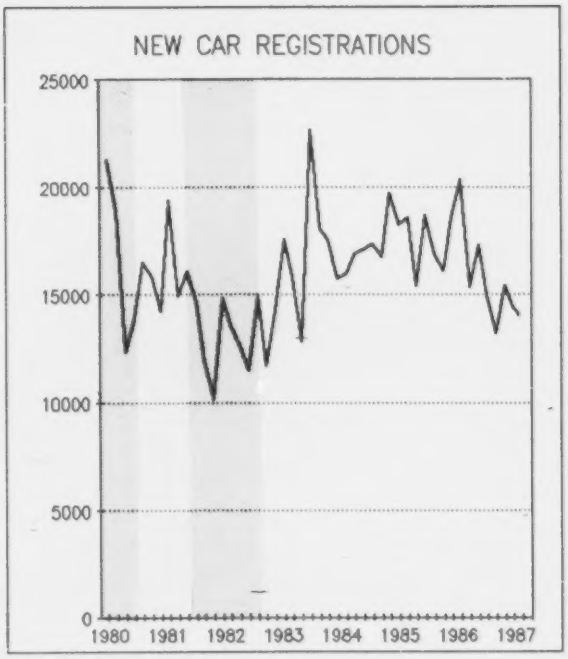

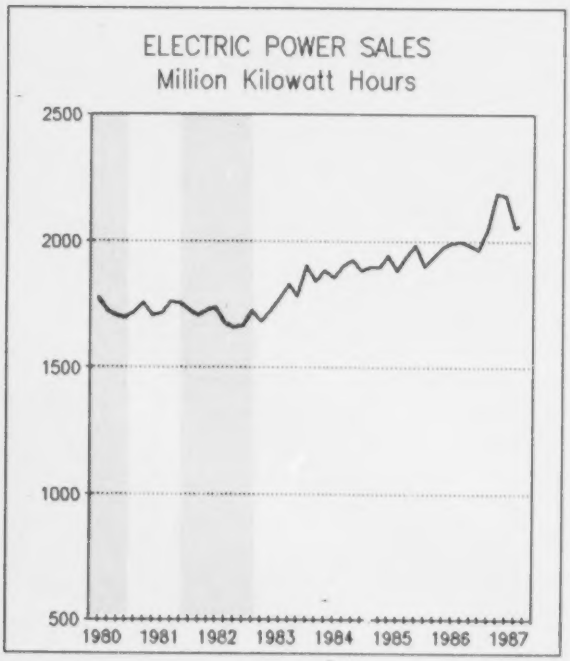

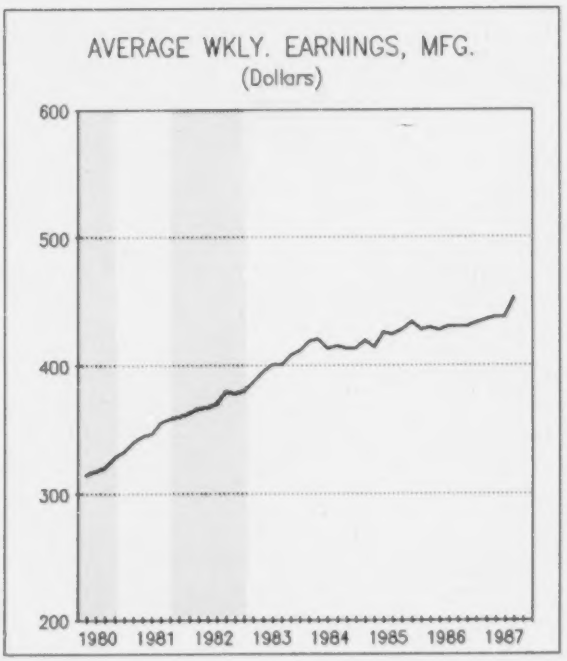

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and then resume trend growth in 1989 and 1990. As a result, the forecast for Wisconsin employment growth for 1988 has been reduced from 2.0 percent to 1.6 percent. But in 1989 and 1990, employment growth is expected to rebound to 2.3 percent and 2.4 percent.

Significant aspects of this forecast for Wisconsin are that the Federal Reserve is expected to act to avoid an increase in interest rates. This in turn implies that the dollar will be allowed to continue to decline from the current relatively low levels. The forecast also assumes that the world economy will continue to grow and that the U.S. trade deficit will decline steadily.

This creates a relatively favorable economic environment for Wisconsin's manufacturing industries. Durable goods industries in particular are expected to benefit. Over the forecast period, Wisconsin's durable goods industries will continue to grow faster than the U.S. average. Durable goods employment is expected to grow by 1.7 percent in 1988, and by 1.6 percent and 2.1 percent in 1989 and 1990. This will exceed U.S. growth of 0.4 percent, 0.9 percent, and 1.8 percent over the same period.

Despite the favorable environment for manufacturing, employment growth will continue to be concentrated in the trade and service industries. These industries currently comprise 46.0 percent on nonfarm employment, but will account for about 60.0 percent to 70.0 percent of the employment growth over the forecast period. Trade employment is forecast to grow 2.4 percent in 1988 and 2.2 percent in 1989. Service employment is expected to increase 2.8 percent in 1988 and 3.9 percent in 1989.

Construction employment is expected to fall modestly in 1988 in response to a decline in housing starts, and then to recover in 1989 and 1990.

Personal income is expected to grow 5.9 percent in 1987 and then slow to 5.5 percent growth in 1988, when the rate of employment growth slows slightly. In 1989 and 1990, personal income is forecast to grow by 6.2 percent and 7.1 percent.

Underlying this acceleration of income growth in the later years of the forecast is a mild acceleration of inflation which stimulates a corresponding increase in wage rates. Annual wage rates in Wisconsin are expected to increase by 3.7 percent in 1987 and 3.8 percent in 1988, and then accelerate to 4.2 percent in 1989 and 4.8 percent in 1990.

Nonfarm proprietors' income is forecast to grow in the 5.0 percent to 7.0 percent range. Farm proprietors' income, however, is expected to stagnate near current levels as weakening government price supports and rising fuel costs squeeze profits.